

CONSUMER RESOURCES DIVISION

HEADQUARTERS PERSONNEL – NASHVILLE

Nicole Lacey, Assistant Commissioner

Kayce Cawthon Stoker, Consumer Resources Specialist

Esther Eddy, Consumer Resources Specialist

Alicia Gay, Consumer Resources Specialist

Crystal Oldham, Consumer Education Coordinator

Tiara Smith, Administrative Services Assistant

CONSUMER PROTECTION

A key responsibility of the Division is the handling and tracking of consumer complaints. The Department of Financial Institutions is the only state agency that has the statutory jurisdiction to handle consumer concerns and complaints involving financial institutions operating under the various laws the Department administers in the State of Tennessee. The Division processes all complaints related to financial institutions chartered and licensed by the Department. If the Department receives information that does not fall within the Department's jurisdiction, those inquiries or complaints are forwarded to the appropriate agency or entity and the consumer is accordingly advised. In all cases, the Division follows its routine practice of submitting the consumer's written complaint to the financial institution for response and communicates this in writing to the complainant or forwards the complaint to the appropriate entity if the Department does not have jurisdiction. If a complaint indicates that further review is necessary, the complaint is referred to the appropriate regulatory Division in the Department for investigation as warranted.

CONSUMER EDUCATION

A key strategy in helping protect consumers is to develop and coordinate educational resources that can assist consumers in making informed financial decisions. Education is a powerful tool in financial literacy. Consumers who understand their rights and responsibilities are less likely to become involved in situations that are not in their best interests.

Serving as a conduit, the goal of the Division is to ensure that all Tennesseans have access to financial literacy programs that will help them make sound money management decisions. In fiscal year 2006, the Division stepped up its efforts and took a more proactive approach by becoming involved in a number of consumer events aimed at educating Tennesseans about basic savings, credit management and home ownership. Specifically, the Division worked with other state and federal agencies, and non-profit organizations to focus on educating the K-12 student population, college students, minorities and women.

The Consumer Resources Division coordinates the handling of consumer complaints, fosters community outreach and encourages financial literacy in Tennessee. Since Governor Phil Bredesen formally approved the Division in March 2004, the Division has embraced its charge to provide meaningful consumer protection and consumer education services statewide.



CONSUMER RESOURCES DIVISION

2006 TOP TEN CONSUMER COMPLAINTS BY ALLEGATION

Customer Service Issues ¹ :	138
Misrepresentation ² :	49
Payment Processing; Payment History Dispute ³ :	45
Fraud ⁴ :	33
Unapproved Account Withdrawal ⁵ :	33
Excessive Fees ⁶ :	25
Credit Bureau Reporting Information ⁷ :	22
NSF Fees ⁸ :	16
Privacy Issues ⁹ :	15
Account Fee Issues ¹⁰ :	11

- ¹) Issues included phone calls not returned by staff at financial institutions, incorrect information given, a requested transaction or service was not performed or did not occur in a timely manner
- ²) Interest rate quotes (loan rate higher than original quote, closing date set and changed or missed, fixed rate ends up as adjustable rate, etc.)
- ³) Payments not made or processed in a timely manner
- ⁴) Covers fraudulent activities not under scams, forgeries, insider information, identity theft, etc.
- ⁵) Includes debiting accounts for fees, service charges, processing, errors, etc.
- ⁶) Covers closing fees, loan processing fees, loan administration costs, late charges, etc.
- ⁷) Tradeline information being reported incorrectly, includes balance, delinquency, etc.
- ⁸) Covers insufficient funds fee being charged, the amount of the fee, etc.
- ⁹) Issues include possible improper disposition of records, sharing of information, etc.
- ¹⁰) Covers fees for service charges, check cashing fees, etc.

2006 TOP TEN CONSUMER COMPLAINTS BY INDUSTRY

INDUSTRY	TOTAL	PERCENT OF TOTAL COMPLAINTS
Mortgage Companies	161	29%
Banks	156	28%
Default*	134	24%
TILT**	35	6%
Title Pledge	21	4%
Deferred Presentment	20	4%
Credit Unions	15	3%
Money Transmitters	8	1%
Mortgage Loan Originators	4	<1%
Check Cashers	1	<1%
TOTAL	555	100%

*Default category contains phone calls, e-mail, correspondence received, complaint form mailed but completed form not returned; complaint or financial institution was not under the Department's jurisdiction and the complaint was referred to the correct regulatory authority.

**Tennessee Industrial Loan and Thrift Companies

CONSUMER RESOURCES DIVISION

2006 INDUSTRY COMPLAINTS BY COUNTY

County Names	DEFAULT	TILT	MTG	MLO	DP	CC	TP	MT	CU	BANK	TOTAL	PERCENT
Out of State	23	1	23	1			3	6	1	25	83	15.0%
ANDERSON			1							1	2	0.4%
BEDFORD					1					1	2	0.4%
BENTON											0	0.0%
BLEDSE											0	0.0%
BLOUNT	2		1							2	5	0.9%
BRADLEY	1										1	0.2%
CAMPBELL			1				1			2	4	0.7%
CANNON											0	0.0%
CARROLL											0	0.0%
CARTER		1	1							2	4	0.7%
CHEATHAM	1	1	3		4					2	11	2.0%
CHESTER	1						1			1	3	0.5%
CLAIBORNE	1										1	0.2%
CLAY											0	0.0%
COCKE										1	1	0.2%
COFFEE			1								1	0.2%
CROCKETT	1										1	0.2%
CUMBERLAND										4	4	0.7%
DAVIDSON	19	3	24	1			3	1	1	12	64	11.5%
DECATUR		1									0	0.0%
DEKALB											1	0.2%
DICKSON	2	1			5		2				10	1.8%
DYER					1					1	2	0.4%
FAYETTE			2							1	3	0.5%
FENTRESS											0	0.0%
FRANKLIN			3							2	5	0.9%
GIBSON			1								1	0.2%
GILES										2	2	0.4%
GRAINGER		1									1	0.2%
GREENE	3		1						1	2	7	1.3%
GRUNDY											0	0.0%
HAMBLEN	1										1	0.2%
HAMILTON	4	4	9	1						6	24	4.3%
HANCOCK											0	0.0%
HARDEMAN	1	1								1	3	0.5%
HARDIN			1								1	0.2%
HAWKINS					1						1	0.2%

CONSUMER RESOURCES DIVISION

County Names	DEFAULT	TILT	MTG	MLO	DP	CC	TP	MT	CU	BANK	TOTAL	PERCENT
HAYWOOD	1										1	0.2%
HENDERSON			1				1				2	0.4%
HENRY	2										2	0.4%
HICKMAN	1		1								2	0.4%
HOUSTON											0	0.0%
HUMPHREYS	2										2	0.4%
JACKSON											0	0.0%
JEFFERSON	2										2	0.4%
JOHNSON											0	0.0%
KNOX	4	1	6				1		1	9	22	4.0%
LAKE											0	0.0%
LAUDERDALE										1	1	0.2%
LAWRENCE	1									2	3	0.5%
LEWIS											0	0.0%
LINCOLN	1										1	0.2%
LOUDON		1	1							3	5	0.9%
MCMINN							1			1	2	0.4%
MCNAIRY	1									2	3	0.5%
MACON		1			1						2	0.4%
MADISON	1	3	7		3					1	15	2.7%
MARION			2							2	4	0.7%
MARSHALL		1									1	0.2%
MAURY									1	3	4	0.7%
MEIGS	1										1	0.2%
MONROE	2										2	0.4%
MONTGOMERY	3		3		1					3	10	1.8%
MOORE											0	0.0%
MORGAN										1	1	0.2%
OBION		4								1	5	0.9%
OVERTON										1	1	0.2%
PERRY											0	0.0%
PICKETT											0	0.0%
POLK											0	0.0%
PUTNAM	2	2								3	7	1.3%
RHEA											0	0.0%
ROANE	1		2		1						4	0.7%
ROBERTSON			2							3	5	0.9%
RUTHERFORD	4	1	5							4	14	2.5%
SCOTT	1									1	2	0.4%
SEQUATCHIE											0	0.0%
SEVIER	1		5							5	11	2.0%
SHELBY	24	2	27	1	1	1	5		8	25	94	16.9%

CONSUMER RESOURCES DIVISION

County Names	DEFAULT	TILT	MTG	MLO	DP	CC	TP	MT	CU	BANK	TOTAL	PERCENT
SMITH	1		1								2	0.4%
STEWART											0	0.0%
SULLIVAN	2	1	5						1	1	10	1.8%
SUMNER	7	2	6		1		1		1	5	23	4.1%
TIPTON	1		2							2	5	0.9%
TROUSDALE											0	0.0%
UNICOI											0	0.0%
UNION											0	0.0%
VAN BUREN											0	0.0%
WARREN	1	1								1	3	0.5%
WASHINGTON	2	1	3			1				1	8	1.4%
WAYNE											0	0.0%
WEAKLEY	2		1								3	0.5%
WHITE	1									2	3	0.5%
WILLIAMSON	1		5					1		3	10	1.8%
WILSON	1		3				1			1	6	1.1%
UNKNOWN			1							1	2	0.4%
TOTALS	134	35	161	4	20	1	21	8	15	156	555	100.0%

* Out of state: Complaints received from consumers living out of state who are either former residents of Tennessee or have an affiliation with an entity licensed or located in the state of Tennessee.

1 - Default/Unknown category contains: phone calls, e-mails, correspondence received, complaint form mailed but completed form not returned; complainant or financial institution was not under the Department's jurisdiction and the complaint was referred to the correct regulatory authority.

KEY TO ABBREVIATIONS:

MRT - Mortgage
TILT - Tennessee Industrial Loan and Thrift
DP - Deferred Presentment
CC - Check Casher
PF - Premium Finance
MT - Money Transmitter
DEF - Default
BK - Bank
CU - Credit Union
TP - Title Pledge
OWN - Owners

